

# Climate Smart Agriculture Webinar Coleambally Irrigation Co-operative's Perspective

20 June 2017

#### **Key Tenets**

Climate smart agriculture involves more than the efficient use of resources

- Government should encourage climate smart agriculture but
  - should avoid trying to pick 'winners'
  - and <u>not try</u> to bring about change without first understanding what it is it is changing
- Climate smart agriculture requires <u>enduring</u> commitment to RD&E and to environmental stewardship





### **Operational Setting**

- Cropping all year round but 80% of income generated by summer cropping
- Highly variable rainfall & regulated river operations
- Allocation system based on dam storage levels & type of water entitlement held
- Most CICL farmers hold General Security water entitlement longterm reliability is approximately 70%
- When allocations are low, many farmers will trade their water

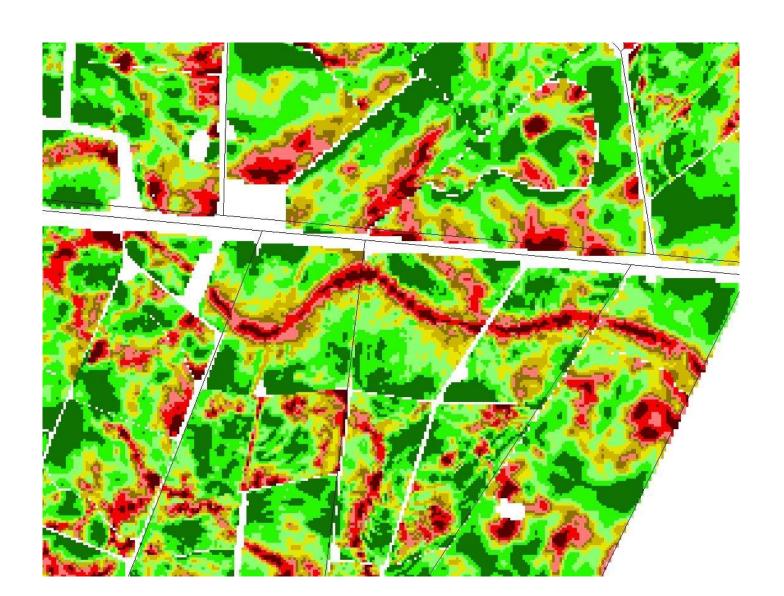
#### **Operational Numbers**

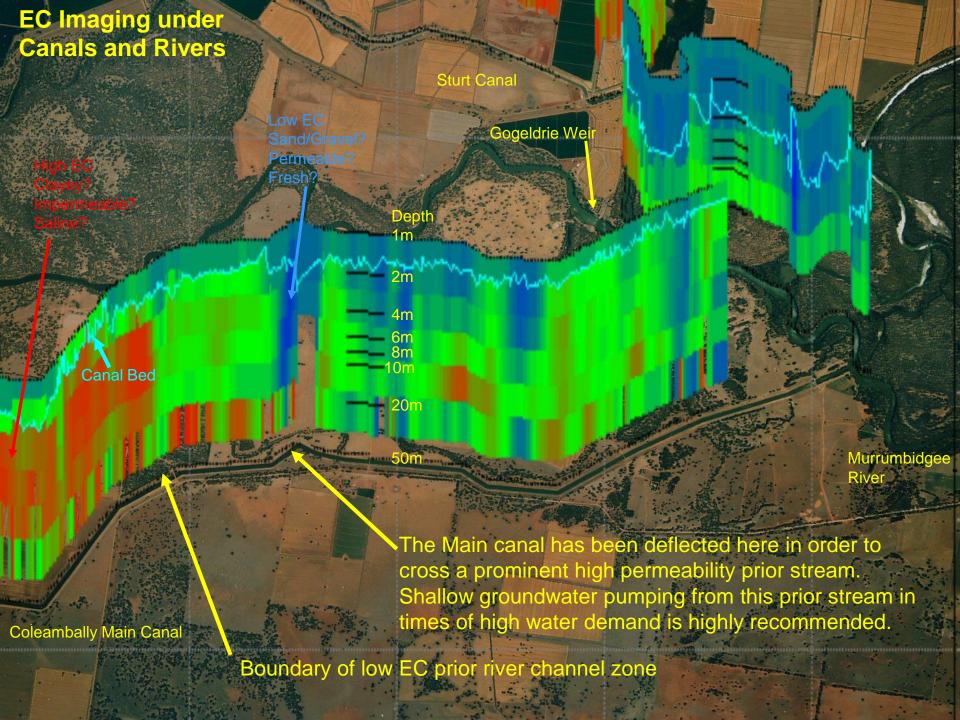
- Fully automated gravity-fed & solar powered distribution delivering water over an operating area of 450,000 ha (1,111,974 acres)
- 518 km of Supply Channels & 734 km of Drains; servicing 479 farms
- 512 GL (415,085 acre feet) of surface water on CICL's licence
- Average size of irrigated properties is 200ha (494 acres) but dryland farms are much bigger

### **Modernisation Journey**

- Journey commenced in 1999 with an on-farm focus
  - 15 year Land & Water Management Plan (water table 'driver')
    - Whole-farm plans
    - Recycling
    - Habit protection
    - Water use intensity trigger
- Delivery system modernisation
  - Understanding & remediating water losses
  - Better understanding of local weather conditions
  - Automation of water demand, accounting & distribution &, accurate metering
  - Sale of water entitlement to Government @ above market rates

#### EM31 – Prior Streams

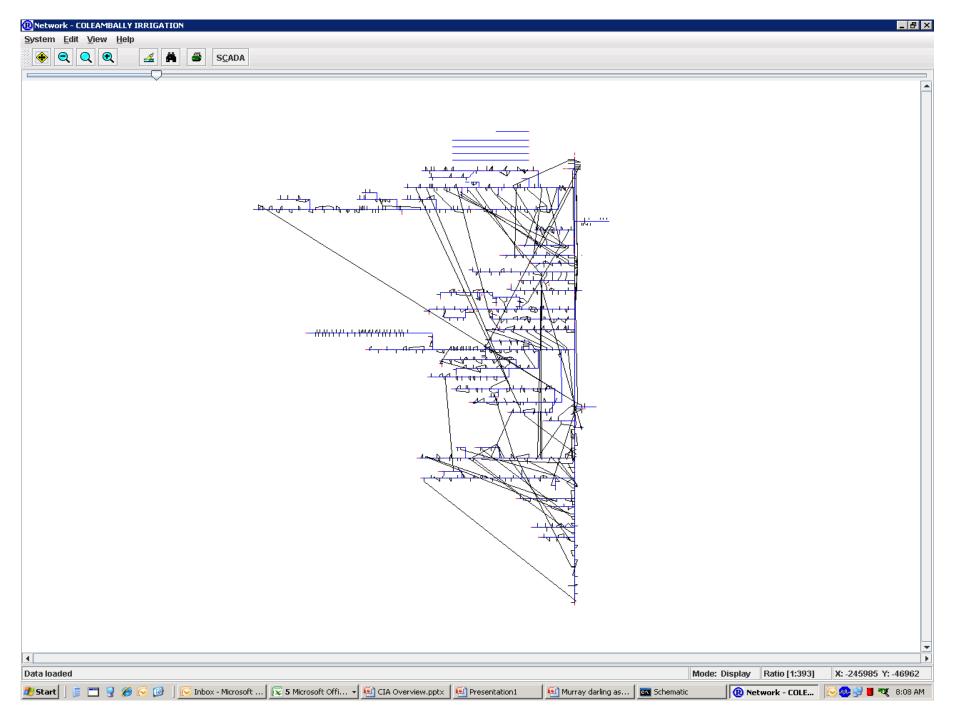


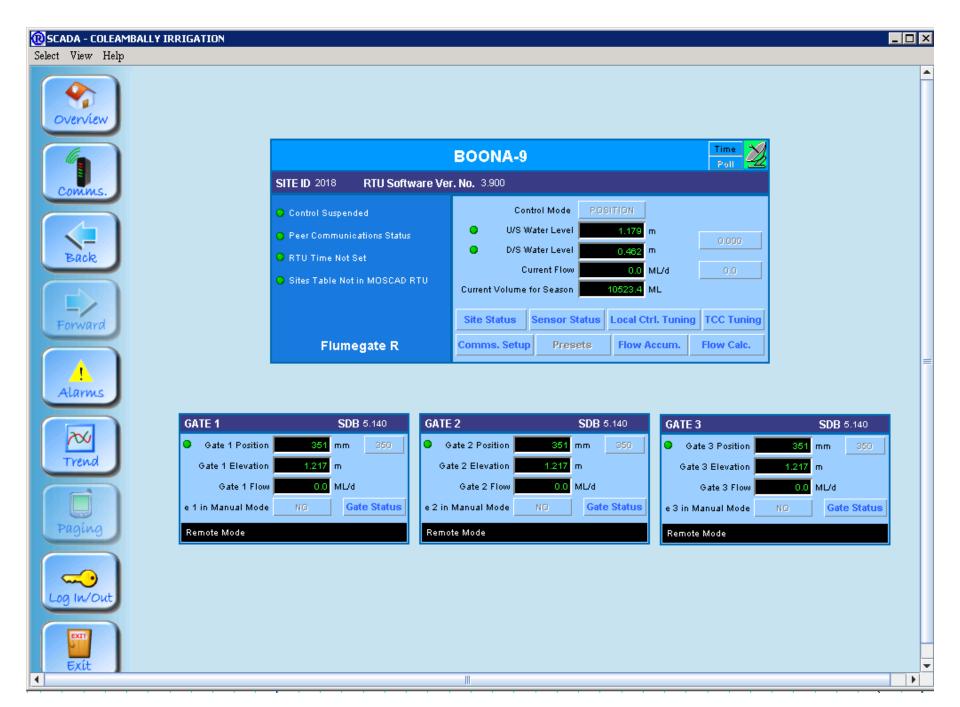












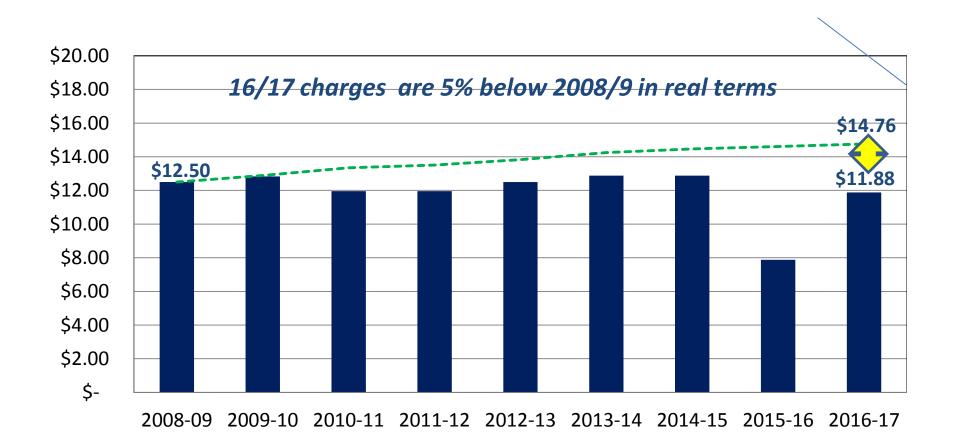
#### **Modernisation Outcomes**

- Water savings of approx 65,000 ML (53,000 acre feet) per annum
- Fewer, but better paid, employees
- Most efficient open-channel operation in Australia
  - Automation down to farm gate
  - Shortest water ordering time (2 hours)
  - Guaranteed minimum level of supply (14ML/day or 11.35 acrefeet/day)
  - Lowest system losses
  - High peak flow rates
  - Quality of drainage
  - Most stable pricing & best return to owners

## Modernisation Outcomes – Increased Operating Efficiency (Losses in ML)

99/00	75,800 (61,398)	08/09	32,046 (25,957)
00/01	85,806 (69,502)	09/10	39,839 (32,269)
01/02	99,690 (80,749)	10/11	32,316 (26,175)
02/03	110,312 (89,352)	11/12	33,081 (26,795)
03/04	90,123 (72,999)	12/13	28,813 (23,338)
04/05	108,026 (87,501)	13/14	25,056 (20,295)
05/06	39,784 (32,225)	14/15	26,975 (21,829)
06/07	35,704 (28,920)	15/16	27,084 (21,938)
07/08	30,627 (24,807)		

# Modernisation Outcomes - Price Stabilisation



### A Unique Business Model

- Fixed charges
- Charges based on Delivery Entitlement not Water Entitlement
- Price stabilisation a strategic objective
- Water Savings shared with Members (60% @ no cost, 40% @ below market price, both pro-rated against amount of delivery Entitlement held)

#### **Environmental Management**

- Environmental management is Core Business
- Bound by Operating and Environmental licences
- Explicit reference to environmental requirements in CICL Rules
- 'Centre piece' is CICL's Water Use Limit Policy to control water table/salinity & CICL's Drainage Policy to control water quality quality
- 800 piezometers read twice a year
- ALL 'take' accurately metered
- Policies are 'real' and enforced

- Nothing that CICL has done since privatisation has been solely about Climate Smart Ag – rather a case of realising that it need to adapt to a changing world (government/market forces/technology/rising input costs/ societal expectations & climate)
- Required a multi-faceted approach, which included
  - privatisation
  - modernisation
  - new business model
  - repositioning environment, compliance & government relations to be core business

#### In Members' case:

- a commitment to more sustainable farming & modernisation
- Increased emphasis on all year-round cropping & crop diversification
- increased scale of operations & new business structures
- acceptance of water trading
- viewing Water Entitlement differently
- increased acceptance (albeit sometimes reluctant) of climate change & place of the environment

- Government' place:
  - Improved regulation, not more regulation
  - Creation of the right conditions for change
    - Reduced uncertainty
    - Targeted /<u>strategic</u> intervention:
    - Provision of 'enablers' (tax, incentives, timelines etc)
  - Continued support for Research, Development & Extension
  - Resisting the temptation to pick 'winners'

#### Industry's place

- Needs to be Involved in the design of related Government policy, programs & incentives
- Needs to be seen as a 'delivery partner' (upwards & downwards)
- Needs to co-invest, be open to new business models
- Needs to understand that it operates with a social licence & see environmental management as core business

#### Irrigators' place

- Can't afford to stand still
- Also need to understand that they operate with a social licence & see environmental management as <u>core</u> business
- Need to understand that producing food in sustainable & responsible ways makes good business sense

# Climate Smart Agriculture – a "Marriage"

- Good policy settings
- Properly functioning markets
- Good climate/weather research & forecasting
- Government & Industry commitment to Research, Development & Extension
- Industry leadership, to encourage & facilitate on-farm adaptation
- Enduring commitment by Government, industry & farmers to sustainable production & environmental stewardship